

108TH CONGRESS
1ST SESSION

H. R. 845

To amend the Internal Revenue Code of 1986 to exclude from the gross income of interest on bank loans made to churches and religious organizations.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2003

Mr. ROYCE introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from the gross income of interest on bank loans made to churches and religious organizations.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Faith-
5 based Lending Improvement Act of 2003”.

6 **SEC. 2. EXCLUSION OF INTEREST ON BANKING LOANS**
7 **MADE TO CHURCHES AND RELIGIOUS ORGA-**
8 **NIZATIONS.**

9 (a) IN GENERAL.—Part III of subchapter B of chap-
10 ter 1 of the Internal Revenue Code of 1986 (relating to

1 items specifically excluded from gross income) is amended
 2 by inserting after section 139 the following new section:

3 **“SEC. 139A. BANKING LOANS TO CHURCHES AND RELI-**
 4 **GIOUS ORGANIZATIONS.**

5 “Gross income shall not include interest received
 6 from loans by banks (as defined in section 581) to church-
 7 es and religious organizations described in section
 8 501(c)(3) that are exempt from tax under section 501(a).”

9 (b) CLERICAL AMENDMENT.—The table of sections
 10 for such part III is amended by adding at the end the
 11 following new item:

“Sec. 139A. Banking loans to churches and religious organiza-
 tions.”

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to taxable years beginning after
 14 the date of enactment of this Act.

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